

## USDA RURAL DEVELOPMENT, NECAC OFFICIALS HELP BUILD SELF-HELP HOUSING HOMES IN MONTGOMERY COUNTY

Officials with USDA Rural Development and the not-for-profit North East Community Action Corporation (NECAC) joined families participating in the Self-Help Housing Home-Ownership Program on June 16 in the construction of their homes in Montgomery County.

NECAC, which administers the USDA program, is a 12-county area not-for-profit social service, community health and public housing Community Action Agency that serves the low-income, elderly, youth, handicapped and disadvantaged. The agency's Central Administration Offices are located in Bowling Green, with NECAC County Service Centers operated in each county.

The visit began with a ceremony at the construction site in the Fairview Estates subdivision behind a shopping center at the corner of Norman and Locust streets on the northwest side of Montgomery City. Speakers included Greg Branum, Missouri State Director of USDA Rural Development; Don Patrick, NECAC Executive Director, President and Chief Executive Officer; and Pat Fiala, Director of Single-Family Housing for the Centralized Servicing Center (CSC) of St. Louis.



Gregory C. Branum, USDA Rural Development State Director for Missouri and Master of Ceremonies for the celebration, said, "I can't think of a better way to celebrate home ownership than to recognize these families. They have achieved the *American Dream!*"

"NECAC and USDA Rural Development have been partners in the Self-Help Housing Program for seven years," Patrick said. "As in any good relationship, we have kept our focus on the larger picture – in this case, offering more families the chance to live the American dream of home-ownership."

Officials from USDA Rural Development, NECAC and the five Self-Help Housing participants and their families then worked on the homes in the afternoon.

Construction of the five homes began in August 2004 and is nearing completion. Four are in the subdivision and another is being built in Middletown.

Under the Self-Help program, applicants who meet income and credit guidelines are eligible for low-interest loans through USDA Rural Development. Instead of making a down-payment, the families spend at least 25 hours a week working as a team under NECAC's construction supervision with relatives and friends to build each other's homes. Subcontractors



handle jobs such as utilities installation. As with conventional mortgages, the participating families pay back the loans over a specified number of years. NECAC and USDA Rural Development anticipate presenting house keys to the five families in July.

Since 1998, 26 Self-Help homes have been built under the NECAC-USDA Rural Development partnership. All of the homes have been in Shelby, Monroe or Randolph counties. Additional Self-Help Housing homes are planned, and NECAC is offering 16 property lots for sale in the 32-lot Montgomery City subdivision.

People who buy lots in the subdivision can join the next round of the Self-Help program, but are not required to participate. The lots vary from 12,990 square feet to 15,122 square feet, and prices are set accordingly. Buyers may build their own homes on the sites or have a contractor do the work.

NECAC originally purchased the 11-acre property in 2001 to develop affordable housing. In cooperation with Montgomery City officials, a financing package of a Community Development Block Grant from the Missouri Department of Economic Development and a loan from the Missouri Housing Development Commission (MHDC) paid for infrastructure on the site.

Phase one of the NECAC plan calls for development of 20 homes on the site and phase two for an additional 12 homes. Down-payment assistance is available through the state Department of Economic Development. Proceeds from lot sales will be used for future NECAC development projects.

“The Bush Administration is committed to utilizing USDA Rural Development investments to increase economic opportunities and improve the quality of life for rural Missouri families and communities,” said Branum. “This is a commitment that is shared by U.S. Senators “Kit” Bond and Jim Talent and U.S. Representative Jo Ann Emerson.”

Anyone interested in obtaining information regarding the Self Help Housing Program or any other assistance available through USDA Rural Development may visit the homepage at <http://www.rurdev.usda.gov/mo/> or can contact Jacqueline Barker, Rural Development Manager, at the Mexico Local Office of USDA Rural Development at 4617 South Clark, Mexico, Missouri 65265-4100 or by calling 573-581-4177 (extension 4).

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